
2011 RELOCATED BUSINESS TAX CREDIT OR DEDUCTION

Fact Sheet

A relocated business tax credit or deduction is available for taxable years that begin on or after January 1, 2011.

This fact sheet provides a general overview of the qualifications for claiming the credit or deduction, the schedule to file in order to claim the credit or deduction, and what documents to include with your tax return. Detailed information is available in the instructions for Schedule RB. Nothing in this fact sheet replaces or changes any provisions of Wisconsin tax law, administrative rules, or court decisions.

WHO IS ELIGIBLE TO CLAIM THE CREDIT

A corporation or tax exempt corporation may claim the relocated business credit.

WHO IS ELIGIBLE TO CLAIM THE DEDUCTION

An individual, estate, trust, partnership, or limited liability company (LLC) may claim the relocated business deduction.

WHO MAY NOT CLAIM THE DEDUCTION

Partnerships, LLCs treated as partnerships, and tax option S-corporations cannot claim the deduction; however, the deduction computed by those business entities can pass through to the partners, members, or shareholders.

QUALIFICATIONS

To qualify for the Wisconsin relocated business credit or deduction, you must meet the following conditions:

- The claimant must locate to Wisconsin from another state or country and begin doing business in Wisconsin during the taxable year.
- The claimant must not have done business in Wisconsin during the two taxable years preceding the first taxable year the credit or deduction is allowed.

CLAIMING THE CREDIT OR DEDUCTION

Use Schedule RB to claim the relocated business tax credit or deduction and include the schedule with your Wisconsin franchise or income tax return. For more information, visit the Department of Revenue web site at www.revenue.wi.gov, write to the Wisconsin Department of Revenue, Mail Stop 5-144, PO Box 8906, Madison WI 53708-8906, or call the Department of Revenue at 608-266-2772.

CREDIT COMPUTATION

The credit is equal to the amount of income or franchise tax liability after applying all other allowable credits, deductions, and exclusions for two consecutive taxable years beginning with the year in which the taxpayer's business relocates to Wisconsin from another state or country and begins doing business in Wisconsin.

DEDUCTION COMPUTATION

The deduction from federal income is allowed for the net business income earned by the relocated business for two consecutive taxable years beginning with the year in which the taxpayer's business relocates to Wisconsin from another state or country and begins doing business in Wisconsin.